

MINUTE ITEM

8. (REQUEST FOR TERMINATION OF MINERAL EXTRACTION LEASE, VERDI DEVELOPMENT COMPANY, KERN COUNTY - W. O. 2879.)

After presentation of Calendar Item 7 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO TERMINATE MINERAL EXTRACTION LEASE P.R.C. 1498.2 BY MUTUAL CONSENT WITH THE LESSEE, VERDI DEVELOPMENT COMPANY. THE TERMINATION IS TO BE SUBJECT TO THE FILING BY THE LESSEE OF A QUITCLAIM DEED TO ALL RIGHTS ARISING UNDER THE SUBJECT LEASE AND THE REMOVAL BY THE LESSEE OF ALL EQUIPMENT FROM THE STATE LANDS AND THE PROPER ABANDONMENT OF ALL EXCAVATIONS IN ACCORDANCE WITH STATE LAW.

Attachment

Calendar Item 7 (1 page)

CALENDAR ITEM

MINERAL LEASE

7.

(REQUEST FOR TERMINATION OF MINERAL EXTRACTION LEASE, VERDI DEVELOPMENT COMPANY, KERN COUNTY - W. O. 2879.)

Mineral Extraction Lease P.R.C. 1498.2 was issued on May 31, 1955 to the Verdi Development Company. During the first year of the lease approximately one thousand shifts of work were completed and 1,430 tons of subcommercial uranium ore was shipped for experimental purposes in developing a process for concentrating this type of ore. On July 15, 1957 the Commission authorized the Executive Officer to grant a deferment of operating requirements for the lease year ending May 31, 1957, as requested by the lessee in order to complete the development of an ore concentrating process and to initiate ore concentration operations.

An application has been received from the Verdi Development Company requesting termination of the lease as provided in Section 17, which states in part, "This lease may be terminated or the provisions changed, altered or amended by mutual consent of the parties;". The request for the lease termination is based on the fact that the operator has been unable to obtain a license or a permit for the sale of the concentrates because of curtailed purchases by the Atomic Energy Commission of uranium oxide from new mills. There are no royalty payments due the State, and the advance rental for the year 1957 has been paid.

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO TERMINATE MINERAL EXTRACTION LEASE P.R.C. 1498.2 BY MUTUAL CONSENT WITH THE LESSEE, VERDI DEVELOPMENT COMPANY. THE TERMINATION IS TO BE SUBJECT TO THE FILING BY THE LESSEE OF A QUITCLAIM DEED TO ALL RIGHTS ARISING UNDER THE SUBJECT LEASE AND THE REMOVAL BY THE LESSEE OF ALL EQUIPMENT FROM THE STATE LANDS AND THE PROPER ABANDONMENT OF ALL EXCAVATIONS IN ACCORDANCE WITH STATE LAW.